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FILE NO: 47894.000006

November 13, 2001

**PUBLIC VERSION**

**VIA ELECTRONIC MAIL**

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

**Re: Section 201 Investigation -- Certain Steel Products - (Cold-Rolled Steel)**

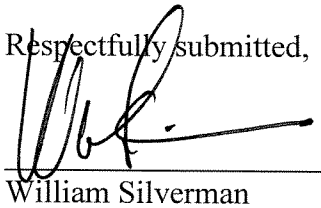
Dear Ambassador Zoellick:

On behalf of Sandvik Steel Company ("Sandvik") a producer of certain carbon steel products, we hereby submit the attached exclusion request brief in the above-referenced investigation.

In accordance with 15 C.F.R. § 2003.6, we request confidential treatment of information contained in brackets on certain pages and exhibits. Disclosure of this information, which contains business proprietary information of Sandvik, would cause substantial harm to Sandvik. Specifically, the bracketed information concerns internal Sandvik accounting data which we have ranged as requested, as well as proprietary detailed product specifications. Public summaries of the specifications for each product are contained in the text of the brief.

Please contact the undersigned if you have any questions regarding this matter.

Respectfully submitted,



William Silverman
Douglas J. Heffner
Richard P. Ferrin
Michelle R. Wildstein
**Hunton & Williams**
Counsel to Sandvik Steel Company

Attachments

**BEFORE THE**
**UNITED STATES TRADE REPRESENTATIVE**
**WASHINGTON, D.C.**

**PUBLIC VERSION**

| | |
|---|---|
| **CERTAIN STEEL PRODUCTS** | ) |
| Carbon & Alloy Flat Products | ) |

# EXCLUSION REQUESTS OF SANDVIK STEEL COMPANY

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November 13, 2001

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## I. SUMMARY OF ARGUMENTS

The President should exclude certain cold-rolled carbon & alloy flat products imported by Sandvik from any relief proclamation for the following reasons:

- Sandvik produces high quality specialized carbon & alloy flat and long steel products that are not produced in commercially viable quantities by domestic producers.
- Domestically produced products are not suitable substitutes for Sandvik products.
- Purchasers of Sandvik's products would be seriously injured if Sandvik's products were included in any relief recommendations submitted to the President.

## II. SUMMARY OF LEGAL PRINCIPLES

In an investigation under Section 201 of the Trade Act, the International Trade Commission (the "Commission") must determine whether "an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article," 19 U.S.C. § 2252(b)(1), and recommend to the President proper remedial action in the event that it makes an affirmative injury determination. 19 U.S.C. § 2252(e). The President, upon receipt of such a recommendation, shall take such appropriate and feasible action as he determines will "facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs." 19 U.S.C. § 2251. In making such a determination, the President shall take into account the effects of the relief on consumers in the domestic market. 19 U.S.C. § 2253(a)(2)(F)(ii).

The President has discretion to exclude from any relief proclamation products that are not produced by the domestic industry. The importation of such products has no impact on the domestic industry because the domestic industry does not compete for the sales of such products. Such importation, however, greatly benefits domestic consumers who would otherwise be unable to acquire these products. Any import relief imposed against such products would not facilitate adjustment efforts by the domestic industry, but would have a detrimental effect on domestic consumers of the products by hindering their ability to compete effectively in their industries. Accordingly, Sandvik therefore requests that the President exclude such products from any relief proclamation.

## III. THE PRESIDENT SHOULD EXCLUDE FROM ANY IMPORT RELIEF CERTAIN SPECIALIZED HARDENED AND TEMPERED CARBON & ALLOY PRODUCTS PRODUCED BY SANDVIK

Sandvik Steel AB ("Sandvik") produces and imports through Sandvik Steel Company small volumes of specialized cold-rolled, hardened and tempered ("H/T") carbon & alloy products for which no significant domestic production exists. These specialized products consist

of (1) woodband saw steel; (2) grade 20C for flapper valve, shock absorber valve and doctor blade steel; (3) cement kiln steel; and (4) die steel. For a number of years, Sandvik has been a valuable supplier of these niche products to domestic purchasers. Because its cold-rolled H/T products are unavailable from domestic sources and are necessary to the operations of certain domestic manufacturers, Sandvik respectfully requests that the President exclude these products from any import relief.

### A. The President Has Discretion To Exclude From Import Relief Certain Specialty Products Imported Into The United States But Unavailable From Domestic Sources

The President has authority under Section 201 of the Trade Act to exclude from import relief imports of specialty products, which, while technically within the scope of the investigation, are non-injurious because they are not produced in the United States, or are not produced in the United States to quality or quantity levels required by domestic consumers. In a Section 201 investigation, the Commission must first determine whether "an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article." 19 U.S.C. § 2252(b)(1). Having come to that conclusion, the Commission must now recommend proper remedial action to the President. 19 U.S.C. § 2252(e). The President, upon receipt of such a recommendation, shall take such appropriate and feasible action as he determines will "facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs." 19 U.S.C. § 2251. In making such a determination, the President shall take into account the effects of the relief on consumers in the domestic market. 19 U.S.C. § 2253(a)(2)(F)(ii).

Sandvik notes that the Commission has considered the effects of import relief on consumers in determining whether to exclude certain products from relief recommendations in previous Section 201 investigations. In *Certain Steel Wire Rod*, Vice Chairman Miller and Commissioner Koplan, in a view later adopted by the President, recommended the exclusion of certain specialty wire rod products.[1] They stated that "the exclusion of certain specialty products further limits the impact of the remedy on purchasers of wire rod products that are either not available from domestic suppliers or are not available in commercially significant volumes.[2] Vice Chairman Miller and Commissioner Koplan thus recognized that relief should not be imposed on certain specialty products that are unavailable from domestic producers because such relief would unfairly affect consumers. The President should do likewise in the instant case.

The President has discretion to exclude specialty products from import relief when such products would not facilitate adjustment efforts by the domestic industry because the domestic

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[1] Certain Steel Wire Rod, TA-201-69, USITC Pub. 3207 (Jul. 1999) at I-56 (separate views of Vice Chairman Miller and Commissioner Koplan).

[2] *Id.*

industry does not produce substitute products. Such relief would have a detrimental effect on domestic consumers by limiting the availability or increasing the cost of products necessary to their survival. Their ability to compete effectively in their industries would therefore be severely limited. The President has the authority to exclude such products from import relief in order to avoid unnecessarily injuring downstream domestic industries, and should exercise such authority in the instant case to exclude specialized carbon & alloy products produced by Sandvik.

### B. Sandvik Produces And Imports Specialty Carbon & Alloy Products Unavailable From Domestic Sources

Sandvik produces and imports into the United States, among other things, the following cold-rolled H/T products: woodband saw steel; grade 20C steel for flapper valve, shock absorber and doctor blade products; cement kiln steel; and die steel. There is little, if any, domestic production of these products. Even where a comparable product is produced domestically, the domestic producer has shown no interest in supplying the product on a commercial scale, or has supplied a product which is unsatisfactory to the consumer. Specifically, it is extremely difficult or impossible to obtain domestically produced products of the kind Sandvik imports, which typically must be of a certain high quality. Though not produced domestically, or not supplied by domestic producers at acceptable quality levels or in appropriate quantities, the products discussed herein are required in the operations of numerous domestic purchasers.

Sandvik notes that in its June 22, 2001 letter to the Commission, the USTR excluded from the scope of the investigation certain bandsaw, flapper valve and doctor blade steel products that are simply variants of the products discussed herein. Specifically, Sandvik's bandsaw product differs only slightly with respect to chemical composition from the product excluded, Sandvik's flapper valve steel product is simply a wider version of the grade 20C product that has been excluded, and the downstream product of Sandvik's grade 20C H/T doctor blade product has already been excluded. Sandvik's bandsaw and flapper valve steel products appear to have been subject to inclusion in the Section 201 case by way of arbitrary chemical composition or width designation cutoffs based on applications in previous antidumping cases involving cold-rolled products from countries other than Sweden. These products do not compete with U.S.-produced products because no U.S. producer manufactures them. Therefore, given the previous exclusions of bandsaw steel and grade 20C steel for flapper valves and doctor blades, Sandvik seeks the denial of any import relief with respect to variants of these products that Sandvik produces and that are not produced in the United States.

Several Sandvik customers submitted letters to the USTR in connection with this investigation. Many indicated that there are no alternative domestic sources of products, and that their companies are required to purchase from Sandvik for reasons unrelated to price. Specifically, domestic products are either unavailable, or if available, of inferior quality compared to Sandvik products. Many also stated that purchasing the product in question is critical to their company's manufacturing process, and that the financial health of their companies depends on the ability to procure Sandvik products to manufacture their products, since they would be unable to compete in the marketplace absent the ability to purchase Sandvik's quality products. For these reasons, even if domestic products were available, they are not suitable substitutes for the products that Sandvik is seeking to exclude. A discussion of the specific products is set forth below, which includes the information requested in the *Federal*

*Register* notice of October 26, 2001, 66 Fed. Reg. 54321, (Office of the United States Trade Representative, Oct. 26, 2001).

**1. Woodband Saw Steel**

(a) Product designation: This commercial name of the product is woodband saw steel. Its HTS number is 7226.99.0000.

(b) Product description: Woodband saw steel is brought in from Sweden as a finished item and is used by Sandvik's customers to manufacture woodband saws to cut timber and make lumber. Specifications for this product are set forth in Exhibit 1.

(c) Basis for requesting an exclusion: Specialized woodband saw steel is not produced by the domestic industry. Specifications for this product are set forth in the Exclusion Request Data Sheet attached as Exhibit 2. In addition, domestic mills cannot make a product that meets all of the following properties:

i. Inclusions: Pipe: Code 1 = approved, Code 2-4 not approved. Sandvik has developed a specific metallurgic process to minimize the number of inclusions in the steel. Inclusions are potential initiation sites for fatigue fractures.

ii. Decarburization: Complete decarburization is not allowed, and the maximum total decarburization is 4% of the strip thickness.

iii. Surface: The surface finish is bright and polished. The products are characterized by extreme requirements with respect to dimensional tolerances, surface conditions, flatness and shape control. Sandvik grinds the surface of the material to reduce residual stresses and take out or eliminate a certain percentage of decarburization.

iv. Surface Defects: Materials with surface defects that can serve as indication of the fractures are not approved. Surface defects with round, smooth outlines (such as roll marks) can be allowed. Maximum approved scratch depth for longitudinal scratches are 10m.

v. Edges: The edges are square and smooth. Sandvik shaves the edges for straight backs for the band saws. This is essential to the band saw manufacturers.

vi. Mechanical Properties: The tensile strength and the hardness vary with the material thickness.

| **Thickness** | **Tensile strength N/mm²** | **Hardness HCR** |
|---|---|---|
| -1.83mm or -0.072 inch | 1450 +/- 80 | 42-46 |
| 1.83- or 0.072- | 1350 +/- 60 | 40-43 |

Hardening is optimized to reach the highest possible fatigue strength. This increases lifetime of the band saw. Sandvik utilizes state of the art horizontal hardening lines to ensure scratch excellent fine needlepoint microstructure. It also introduces compressive stresses that improve fatigue properties and to reduce notch sensitivity and cracks.

vii. Microstructure: A matrix of very fine needled, tempered martensite with a uniform distribution of small undissolved Carbides. The melting of Sandvik's material and the hardening and tempering of the product and process gives it the unique capability which others cannot duplicate.

viii. Surface Roughness (Cut off 0.8mm):

| **Thickness** | **Max Ra** |
|---|---|
| **mm** | **µm** |
| -1.20 | 0.25 |
| 1.20 – 1.50 | 1.0 |
| 1.50 | 1.5 |

Sandvik obtains a maximum Ra difference of 0.5 um between surface.

ix. Shape: The maximum unflatness is 0.10% of the nominal strip width. Multishift is 0.07% of the nominal strip width. The maximum coilset is 10mm/m.

x. Dimensional Tolerances: Thickness tolerance = T1, Multishift=T2. With a strip the maximum allowed difference between the maximum and minimum size is half the tolerance zone for T1. For Multishift T2. The width is Standard B1 and for multishift, B2. The width is 5 1/8" to 16 1/4." Thickness is .078" to 18 BWG. Narrow Rolling mills have been designed to give the best possible surface and thickness tolerances in order to optimize fatigue properties of the material which will give the longest possible lifetime of the band saws. The products are characterized by extreme requirements with respect to dimensional tolerances, surface conditions, flatness and shape control.

xi. Flatness: The maximum allowed unflatness is 0.20% of the nominal strip width measured across and along the rolling direction. The unflatness shall be measured with the strip lying under its own weight on a flat surface and shall exclude the influence of residual stresses from the slitting. Design is optimized to minimize unflatness.

Mr. Mike Cloutier, President of Cut Technologies, a manufacturer of high quality band and round saws for the lumber industry, stated in a letter to the USTR that there is no U.S. steel producer that is capable of producing wood band products of sufficient quality. Letter to the Honorable Robert B. Zoellick, from Mike Cloutier, Cut Technologies, (Nov. 12, 2001), attached as Exhibit 3. Wood band saw products are specialized products that are provided in a limited marketplace, and U.S. producers lack both the equipment and technology to roll steel suitable to make wood band saw steel for the primary lumber industry. Production of the thinner and flatter

blades the industry demands requires a very high grade material, which domestic producers simply do not produce. Because of the lack of domestic production, Cut Technologies has never purchased wood band products from a domestic producer, despite efforts to do so. According to Mr. Cloutier, three companies in the world, Sandvik, Daido and Martin Miller, are capable of supplying wood band saw products of the requisite quality.

Kenneth R. Myer of Simonds Industries, Inc. also confirmed that no domestic producers of woodband saw steel exist. Mr. Myer filed a letter with the USTR stating that one hundred percent of Simond's band saw production relies on imported steel for band saws, because "no U.S. mill can or will produce band saw steel." He asks that "no relief be granted for this band saw material, as there is no domestic supplier available that manufactures this product." Letter to the Honorable Robert B. Zoellick, U.S. Trade Representative, from Kenneth R. Myer, Simonds Industries, Inc. (Nov. 7, 2001), attached as Exhibit 4. In addition, Mr. Myer notes that Simonds' two attempts to use domestic suppliers of band saw steel were unsuccessful because neither could meet the required quality specifications.

Sandvik notes that in the cold-rolled steel antidumping duty investigation, the petitioners recently decided to exclude from the scope of the investigation certain band saw steel of a specific chemistry. Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey and Venezuela, 66 Fed. Reg. 54198, 54202 (Dept. of Comm., Oct. 26, 2001), appended hereto as Exhibit 5. Also, as noted above, certain woodband saw steel has already been excluded from the Section 201 investigation. The existing exclusion covers one of Sandvik's woodband saw steel grades, but not the other grade, which the domestic industry also does not make. Because the domestic industry excluded a slightly different variation of this product from the recent cold-rolled antidumping duty investigation and Section 201 investigation, and because the domestic industry does not make woodband saw steel at all, the domestic industry has no need for import relief for this product.

(d) Names and locations of other domestic and foreign producers: There are no domestic producers of woodband saw steel. Worldwide there are only three major companies that can produce this product for the woodband industry: Sandvik, Daido (Japan) and Uddeholm (Sweden).

(e) Total U.S. consumption: Total U.S. consumption is as follows:

C

5805 11,830 6,200 11,200 6,000 12,000 5,800 11,600 6,000 11,800

]

5500 5500 5900 11,000 12,000

**Explanation of the basis for the projection.**

1. Key economic indicators were used for Sandvik's forecast. See Exhibit 6 for an example.
2. Market intelligence from Sandvik's four year plan.
3. Information from the industry in trade journals.
4. Market intelligence form Sandvik's customers.
5. Multi year contracts with Sandvik's major customers taking into account that Sandvik has a significant portion of the market share

(f) Total U.S. production: There is no U.S. production of woodband saw steel.

(g) Identification of any U.S.-produced substitute: There are no U.S.-produced substitutes of woodband saw steel.

### 2. Grade 20C Steel for Flapper Valve, Shock Absorber Valve and Doctor Blade Products

Sandvik seeks the exclusion of its grade 20C steel, suitable for making flapper valve, shock absorber and doctor blade steel products, that is not produced domestically. Each type of product is discussed in further detail below.

#### a. Flapper Valve Steel

(a) Product designation: The commercial name for the product is flapper valve steel. The applicable HTS number is 7211.90.0000.

(b) Product description: Flapper valve steel is used to manufacture valves used in refrigeration, freezing and air conditioning applications. This product covers hardened and tempered high carbon strip steel in standard condition. Please see the product specifications attached as Exhibit 7.

(c) Basis for requesting an exclusion: This product is not produced by the domestic industry.

In addition, the product must meet the following specifications:

i. Non Metallic Inclusions: The area percentage of non metallic inclusions in the strip material will be:

Maximum:

Oxide inclusions: 0.01%

Sulfide inclusions: 0.03%

RANGED DATA

Assessed according to Swedish Standard SS 11 11 16 at a magnification of 200 times. Sandvik has developed a specific metallurgic process to minimize the number of inclusions in the steel and also the size. This is essential to have the lowest and smallest inclusions so the flapper valve does not fail in the compress. Inclusions is a potential initiation sites for fatigue fractures.

ii. Surface Defects: Surface defects (e.g. pits and roll marks):

Thicknesses up to and including 0.508 mm (≤.020 inch): A small number of surface defects with a depth or height of maximum 2 µm (80 µ") is allowed. Thicknesses over 0.508 mm up to and including 1.20 mm (>.020"-≤.047"): A small number of surfaces defect with a depth or height of maximum 3 µm (120 µm).

| **Thickness** | | **Max allowed depth** | |
|---|---|---|---|
| **mm** | **inch** | **µm** | **µ"** |
| ≤0.203 | ≤.008 | 0.5 | 20 |
| >0.203-≤0.508 | >.008-≤.020 | 0.8 | 32 |
| >0.508-≤1.20 | >.020-≤.047 | 1.0 | 40 |

Measuring method:

Surface defects and scratches shall be measured with a surface roughness skid instrument. The measurements shall exclude any burrs. The design is optimized in order to minimize the number of defects in the material surface. This will lead to an increased lifetime of the valve in the compressor. Sandvik utilizes narrow rolling mills using rolls which have been designed to give optimum surface leading to the longest possible life time of the valve in the compressor. This is a necessity to have a good sealing so the flapper valve in the compressor will function properly and efficient. The products are characterized by extreme requirements with respect to dimensional tolerances, surface conditions, flatness and shape control.

iii. Tensile Strength and Hardness: The tensile strength and the hardness vary with the material thickness.

| Thickness | | Tensile strength | | |
|---|---|---|---|---|
| **mm** | **inch** | **MPa** | **psi** | **Corresp. hardness figures, Vickers (HV, approximate values)** |
| <0.125 | <.005 | 2100 | 305 000 | 615 |
| 0.125-<0.175 | .005-<.007 | 2050 | 297 000 | 600 |
| 0.175-<0.225 | .007-<.009 | 2000 | 290 000 | 590 |
| 0.225-<0.275 | .009-<.011 | 1950 | 283 000 | 575 |
| 0.275-<0.375 | .011-<.015 | 1900 | 276 000 | 560 |
| 0.375-<0.425 | .015-<.017 | 1850 | 268 000 | 550 |
| 0.425-<0.475 | .017-<.019 | 1800 | 261 000 | 535 |
| 0.475-<0.625 | .019-<.025 | 1750 | 254 000 | 520 |
| 0.625-<0.825 | .025-<.033 | 1700 | 247 000 | 510 |
| 0.825-<1.150 | .033-<.045 | 1650 | 239 000 | 495 |
| 1.150-<1.200 | .045-<.047 | 1600 | 232 000 | 480 |

Tolerance on the tensile strength: ± 80 N/mm² (± 11500 psi). The hardening is optimized to reach the highest possible fatigue strength. This will give longer lifetime of the compressor. Sandvik utilizes state of the art vertical hardening lines to ensure scratch free material and excellent fine needle point microstructure.

iv. Microstructure: A matrix of very fine needled, tempered martensite with a uniform distribution of small undissolved Carbides. The melting of the material and the hardening and tempering of Sandvik's product and process gives it the unique capability which others cannot duplicate.

v. Surface Roughness: Maximum allowable surface roughness, measured with a cut off length of 0.25 mm (.01 inch):

| Thickness | | Ra | | Rmax | |
|---|---|---|---|---|---|
| **mm** | **inch** | **µm** | **µ"** | **µm** | **µ"** |
| ≤0.508 | ≤.020 | 0.13 | 5.2 | 1.5 | 60 |
| >0.508-≤1.20 | >.020-≤.047 | 0.25 | 10 | 2.5 | 100 |

Surface roughness is critical for proper sealing and for the valve in the compressor to perform efficiently. The rolling techniques has been developed by Sandvik alone to give the best possible surfaces leading to longest possible life time of the valve in the compressor.

vi. Dimensional Tolerances:

| Thickness | | Tolerances | |
|---|---|---|---|
| **mm** | **inch** | **width** | **thickness** |
| >0.381 | ≤.015 | B1 | T3 |
| >0.381-0.508 | ≤.015-≤.020 | B1 | T2 |
| >0.508-1.20 | >.020-≤.047 | B1 | T1 |

Sandvik can supply material with closer tolerances upon request. It has designed narrow rolling mills to give the best possible surface and thickness tolerances in order to optimize fatigue properties of the material which will give the longest possible lifetime of the compressor. The products are characterized by extreme requirements with respect to dimensional tolerances, surface conditions, flatness and shape control.

vii. Flatness: The maximum allowed unflatness in 0.20% of the nominal strip width measured across and along the rolling direction. The unflatness is measured with the strip lying under its own weight on a flat surface and shall exclude the influence of residual stresses from the slitting. The design is optimized to minimize unflatness, leading to increased efficiency of the compressor.

In a letter submitted to the USTR, George Singos of DE-STA-CO Manufacturing, a global manufacturer or certain valve, tubular and other critical performance components for a variety of industries, describes that it purchases the majority of its flapper valve steel to manufacture air conditioning units for the automotive industry from Sandvik. Letter to the Honorable Robert B. Zoellick, U.S. Trade Representative, from George Singos, DE-STA-CO (Nov. 7, 2001), attached as Exhibit 8. Mr. Singos says in his letter that it is critical that the quality of the steel used to make flapper valves for air conditioning compressors be of superior quality. Moreover, DE-STA-CO's customers specifically instruct it to purchase flapper valve steel only from certain approved suppliers (Sandvik). Mr. Singos further noted that Sandvik is one of the only companies in the world that is capable of supplying the quality of flapper valve steel that DE-STA-CO needs. Mr. Singos states that he knows of no U.S. mills that produce this product.

Mr. Richard Vonderheide, of the Fusite Division of Emerson Electric, also confirms that to domestic manufacturers of flapper valve steel exist. He states in a letter to the USTR that his company purchases about $1 million per year in flapper valve steel from Sandvik, to manufacture air conditioner compressors. Letter to the Honorable Robert B. Zoellick, U.S. Trade Representative, from Richard Vonderheide, Fusite, (Nov. 7, 2001) attached as Exhibit 9. Mr. Vonderheide cites two primary reasons that Fusite purchases from Sandvik: (1) because Fusite's customers specify the supplier of steel that it must use for the flapper valves, and (2) because there are only three suppliers of flapper valve steel in the world of which Fusite is aware, including Sandvik. Mr. Vonderheide states that he too is unaware of any domestic producers of flapper valve steel, in part because the product is extremely difficult to produce, due to its specifications for flatness and cleanliness. Moreover, because flapper valve steel is a specialized product, the market for it is much smaller than the market for normal steel. Mr. Vonderheide thus believes that any recommendation for import relief on flapper valve steel would only serve to hurt Sandvik's customers such as Fusite by allowing Fusite's competitors in other countries to sell their products in the United States at a cost advantage.

Sandvik notes that in the cold-rolled steel antidumping duty investigation, the petitioners recently decided to exclude from the scope of the investigation certain flapper steel. Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey and Venezuela, 66 Fed. Reg. 54198, 54199 (Dept. of Comm., Oct. 26, 2001), appended hereto as Exhibit 5. Also, as noted above, certain flapper valve steel has already been excluded from this Section 201 investigation. The existing exclusion covers flapper valve steel in a narrower width than the product subject to this request, but the domestic industry does not make the wider product either. Because the domestic industry excluded a different width of certain flapper valve steel from the recent cold-rolled antidumping duty investigation and Section 201 investigation, and because the domestic industry does not make flapper valve steel in any width, the domestic industry has no need for import relief for this product.

(d) Names and locations of other domestic and foreign producers: There are no domestic producers of flapper valve steel. Foreign producers include Sandvik, Hitachi (Japan), and Uddeholm (Sweden).

(e) Total U.S. consumption: Total U.S. consumption of the product is as follows:

[

2700 2780 9888 11000 11000

9360 8600 3200 3360 3400

]

(f) Total U.S. production: There is no U.S. production of flapper valve steel.

(g) Identification of any U.S.-produced substitute: There is no U.S.-produced substitute for flapper valve steel.

**b. Shock Absorber and Doctor Blade Steel**

(a) Product designation: The product has two commercial names depending on the application: shock absorber and doctor blade steel.

(b) Product description: Shock absorber steel is used by purchasers to manufacture valves used in automotive shock absorbers. This product specification covers hardened and tempered high carbon strip steel in thicknesses from 0.102 mm (.004") up to and including 0.508 mm (.020") intended for the manufacturing of valve plates in shock absorbers. Doctor blade steel is identical to shock absorber steel except that it is slit and cut to different sizes for the different application. Please see the product specifications attached as Exhibit 10.

(c) Basis for requesting an exclusion: No domestic producers of shock absorber steel or doctor blade steel exist in the domestic industry. This material is imported into the United States from Sweden in wide width coils of .500" to 14.00" and slit to finished sizes for Sandvik's customers. It is used for valves in shock absorbers for the automotive industry and doctor blades in the printing industry. This type of steel is characterized by fatigue strength and wear resistance, hardness combined with ductility, surface and end finishes and good blanking and forming properties with retaining shape of the parts after blanking. No U.S. mills are capable of manufacturing the hardened and tempered strip martensitic steel that is required to make shock absorber valves or doctor blades. In addition, the product must contain the following characteristics:

i. Surface Defects (e.g. pits and roll marks): A small number of surface defects with a depth or height of maximum 5 μm (200 μ") is allowed.

Scratches: The maximum depth of scratches allowed is 2.0 μm (80 μ").

Measuring method: Surface defects and scratches shall be measured with a surface roughness skid instrument. The measurements shall exclude any burrs.

ii. Microstructure: A matrix of very fine needled, tempered martensite with a uniform distribution of small undissolved Carbides. The melting of our material and the hardening and tempering of our product and process gives Sandvik the unique capability that others cannot duplicate.

iii. Tensile Strength and Hardness: The tensile strength and the hardness vary with the material thickness.

| Thickness | | Tensile strength | | |
|---|---|---|---|---|
| mm | inch | N/mm² | psi | Corresp. hardness figures, Vickers (HV, approximate values) |
| 0.102 | .004 | 2100 | 305,000 | 615 |
| 0.114 | .0045 | 2100 | 305,000 | 615 |
| 0,127 | .0050 | 2050 | 297,000 | 600 |
| 0.152 | .006 | 2050 | 297,000 | 600 |
| 0.178 | .007 | 2000 | 290,000 | 590 |
| 0.203 | .008 | 2000 | 290,000 | 590 |
| 0.254 | .010 | 1950 | 283,000 | 575 |
| 0.305 | .012 | 1900 | 276,000 | 560 |
| 0,356 | .014 | 1900 | 276,000 | 560 |
| 0.381 | .015 | 1850 | 268,000 | 550 |
| 0.406 | .016 | 1850 | 268,000 | 550 |
| 0,457 | .018 | 1800 | 261,000 | 535 |
| 0.508 | .020 | 1750 | 254,000 | 520 |
| 0.600 | .0236 | 1750 | 254,000 | 520 |

Tolerance on the tensile strength ± 80 N/mm² (± 11.5 psi). Optimized hardening to reach the highest possible fatigue strength. This will give longer lifetime of the shock absorber. Sandvik utilizes state of the art vertical hardening lines to ensure scratch free material and excellent fine needle point micro structure.

iv. Microstructure: A matrix of very fine needled, tempered martensite with a uniform distribution of small undissolved Carbides. The melting of Sandvik's material and the hardening and tempering of Sandvik's product and process gives it the unique capability that U.S. mills cannot duplicate.

v. Surface Roughness: Surface roughness is critical for proper sealing of the valve. The maximum allowable surface roughness, measured with a cut off length of 0.25 mm (.01 inch) is Ra 0.13 µm (5.2 µ") and Rmax 1.5 µm (60 µ"). The rolling techniques have been

developed by Sandvik alone to give the best possible surfaces leading to longest possible life time of the valve in the shock absorber.

vi. Dimensional Tolerances:

| Thickness | | Tolerances | |
|---|---|---|---|
| **mm** | **inch** | **width** | **thickness** |
| </0.600 | </.0236 | B1 | T3 |

Material with closer tolerances can be supplied on request. Sandvik has designed narrow rolling mills to give the best possible surface and thickness tolerances in order to optimize fatigue properties of the material that will give the longest possible lifetime of the shock absorber. The products are characterized by extreme requirements with respect to dimensional tolerances, surface conditions, flatness and shape control.

vii. Flatness: The maximum allowed unflatness is 0.30% of the nominal strip width measured across and along the rolling direction. The unflatness is measured with the strip lying under its own weight on a flat surface and shall exclude the influence of residual stresses from the slitting. Flatness is of the greatest importance to get the best possible straightness of the final product regarding a shock absorber application.

viii. Straightness: Out-of-straightness is stated in millimetres and is defined as the maximum deviation of the edge from a straight line. Straightness is a critical property to give best possible printing result in reference to the shock absorber.

The straightness tolerance is R2:

| Strip Width | | Max. allowed unstraightness | |
|---|---|---|---|
| **mm** | **inch** | **mm/m** | **inch/3 feet** |
| ≥8-<20 | ≥.315-<.787 | 2.0 | .072 |
| ≥20-<50 | ≥.787-<1.969 | 1.5 | .054 |
| ≥50-<125 | ≥1.696-<4.921 | 1.25 | .045 |
| ≥125- | ≥4.921- | 1.0 | .036 |

This is essential for the manufacturers of valves to have straight material to reduce web in order to have less yield loss.

In a letter to USTR, Mr. Kenneth Conrad of Tokico (USA) Inc., also requests that an exemption be granted for specific high carbon steel that his company purchases from Sandvik. Letter to the Honorable Robert B. Zoellick, U.S. Trade Representative, from Kenneth Conrad, Tokico (USA) Inc., (Nov. 9, 2001), attached as Exhibit 11. Tokico buys high carbon steel from

Sandvik for use in the valving function of shocks and struts it manufactures for its customer, the American Automobile Manufacturers (O.E.M.). Mr. Conrad states that purchasing Sandvik's products "assures a high quality of functionality." He also states that Tokico has not found a domestic producer of the product that can assure the equivalent grade and quality of Sandvik material.

Delphi Automotive Systems ("Delphi") is another Sandvik customer that purchases grade 20C steel for the manufacture of shock absorber valves. In a letter to the USTR, Delphi states that no domestic producers are certified to supply Delphi with grade 20C steel for shock absorber valves. Letter to the Honorable Robert B. Zoellick, U.S. Trade Representative, from Eric Sandford, Delphi, (November 13, 2001), attached as Exhibit 12.

Mark Shores of the Max Daetwyler Corporation also submitted a letter to the USTR requesting that no import relief be granted for Sandvik's doctor blade steel. Letter to The Honorable Robert B. Zoellick, U.S. Trade Representative, from Mark Shores, Max Daetwyler Corporation, (Nov. 8, 2001), attached as Exhibit 13. In the letter, Mr. Shores states that his company is unable to purchase doctor blade steel of the requisite quality from any domestic source, and that Sandvik is one of only two companies in the world that produce the product to the quality specifications his company needs to manufacture its product.

(d) Names and locations of other domestic and foreign producers: There are no domestic producers of shock absorber steel. Worldwide there are only 6 major companies that can produce this product for the shock absorber industry. They are as follows: Sandvik, Hitachi (Japan), Uddeholm (Sweden), Westig (Germany, Eberle (Germany), and Theis (Germany).

(e) Total U.S. consumption: Total U.S. consumption of the product is as follows[3]:

[

| | | | | | |
|---|---|---|---|---|---|
| 1800 | 1700 | 2000 | 2200 | 2300 | |
| 4600 | 2100 | 4400 | 4601 | 4700 | 5000 ] |

(f) Total U.S. production: There is no U.S. production of shock absorber or doctor blade steel.

(g) Identification of any U.S.-produced substitute: There are no U.S.-produced substitutes for shock absorber or doctor blade steel.

[3] [Note that Sandvik's accounting data does not disaggregate data for shock absorber and doctor blade steel.]

### 3. Cement Kiln H/T Steel

(a) Product designation: The commercial name of the product is grade 13C cement kiln steel. Its HTS number is 7211.90.000.

(b) Product description: Cement kiln H/T steel is material intended for seal plates for kilns in the cement industry. Please see the attached specifications in Exhibit 14.

(c) Basis for requesting an exclusion: There are no domestic producers of this product. In addition, the product must meet that following specifications that no U.S. mill is capable of meeting:

i. Chemical Composition Weight - %:

| Element | **Nominal** | **Max** |
|---|---|---|
| C | 0.65 | |
| Si | 0.25 | |
| Mn | 0.65 | |
| P | | 0.020 |
| S | | 0.010 |

Specific metallurgy has been developed to get the best possible wear resistance of the final products.

ii. Microstructure: Fine grained and homogeneous. Matrix of tempered martensite with a small amount of undissolved carbides.

iii. Decarburization: No free ferrit is allowed. Total decarburization should not exceed 4% per plane.

iv. Mechanical Properties: Tensile strength: 1200-1700 N/mm2

(Standard 1280 +/- 80 N/mm2). Specific metallurgy has been developed to get the best possible wear resistance of the final products.

v. Surface Finish: Grey hardened condition. Ra/CLA - max 0.25 m. Cut off 0.25 mm. Rmax - max 2.5 m

vi. Edge Condition: Slit edges free from cracks and damages.

vii. Dimensions:

Thickness: 0.4-1.40 mm

Tolerance: T1

Width : 250-1200 mm

Tolerance: B1

viii. Flatness: Unflatness across the strip: Max 0.4% of the nominal strip width.

ix. Coil Size: Inside diameter 600 mm. Coil weight max 6.5 kg/mm strip width.

(d) Names and locations of other domestic or foreign producers: There are no domestic producers of cement kiln steel. Worldwide there are several other major companies that can produce this product to the quality requirements. Besides Sandvik, they are Uddeholm (Sweden), Eberle (Germany), and Firth-Cleveland (United Kingdom).

(e) Total U.S. consumption: Total U.S. consumption of the product is as follows[4]:

[

| | | | | |
|---|---|---|---|---|
| 1200 | 1100 | 1300 | 1200 | 1600 |
| 6500 | 6700 | 6980 | 6600 | 7000 |

]

(f) Total U.S. production: There is no U.S. production of this product.

(g) Identification of any U.S.-produced substitute: There are no U.S.-produced substitutes for this product.

**4. Die Steel**

(a) Product designation: The commercial name for the product is die steel. Its HTS number is 7228.70.6000.

(b) Product description: Sandvik's die steel is used by domestic purchasers for making dies used for the cutting of leather products. Please see the attached specifications at Exhibit 15.

[4] [Note that Sandvik's accounting data does not disaggregate between cement kiln and doctor blade steel.]

(c) Basis for requesting an exclusion: There are no domestic producers of these products. To make die steel products, the mills need to have be equipped with a combination of technical competence and production technique on site to undertake the following operations: (1) bainite hardening; (2) controlled decarburization; (3) profile rolling; (4) controlled edge grinding. There are no U.S. mills that can undertake all four of these operations, which are essential to a mill's capability to produce a die steel product. The following are the properties that are essential to a die steel product:

**Hardness body, HV5:**

| | |
|---|---|
| Die Flex | 400 +/-25 |
| Dieflex x | 445 +/-25 |
| Superhard | 500 +/-25 |

**Hardness Edge,HVO.3:**

| | |
|---|---|
| Die Flex | 550 +/-40/-30 |
| Superhard | 500 +/-25 |

**Depth of edge hardening:**

| | |
|---|---|
| 0.55mm | 0.40-0.70mm |

**Bendability, degrees, radius 0.0394":**

| | |
|---|---|
| Die Flex | Min 105 |
| Superhard | No specified bending commitments valid |

**Height tolerance:**

| | |
|---|---|
| +/-0.58mm | (+/-0.00031") |

**Thickness tolerance:**

| | |
|---|---|
| Thickness 2.07mm | +/-0.08mm (+/-0.0031") |
| Thickness 2.5-3.0mm | +/-0.10mm (+/-0.0039") |

**Flatness, %of height:**

| |
|---|
| 0.3 |

**Straightness:**

| | |
|---|---|
| 1mm/1mtr length | 0.0394" / 39" length |

**Coil Set:**

| | |
|---|---|
| 80mm/1mtr length | 3.150" / 39" length |

**Edge angle, degrees:**

| |
|---|
| 52 +/-2 (Double edge) |
| 55 +/-2 (Single edge) |

**Finish of Edge:**

| |
|---|
| Shaved ( Double edge, AE, TAE) |
| Ground (Single edge except AE,TAE) |

No U.S. mill is capable of producing a die steel product to these specifications.

(d) Names and locations of other domestic and foreign producers: There are no domestic producers of this product. Besides Sandvik, there are only two other producers of this product in the world: Bohler, which also owns Martin Miller, in Austria and Il-Jin in South Korea.

(e) Total U.S. consumption: Total U.S. consumption of the product is as follows:

[

300 300 280 251 232

1600 1400 1326 1200 900 ]

(f) Total U.S. production: There is no U.S. production of die steel.

**RANGED DATA**

(g) Identification of any U.S.-produced substitute: There are no U.S.-produced substitutes for die steel.

### C. Because Domestic Products Are Not Suitable Substitutes For Sandvik's Products, They Should be Excluded From Any Import Relief

Sandvik's products are sold in the United States to purchasers who manufacture products for resale to other U.S. customers. Such customers purchase Sandvik's products either because Sandvik is one of the only companies in the world to manufacture the product, or because Sandvik is one of only a few companies that manufacture the product to the particular degree of quality. For many of Sandvik's U.S. customers, substituting products manufactured by the domestic industry is simply not an option.

Any import relief imposed against Sandvik's products will prevent certain of Sandvik's U.S. customers to manufacture quality products, which could eventually drive them out of business. The purchasers who submitted letters to the USTR in connection with this investigation reiterated that there are no U.S. producers of the Sandvik products discussed above.

In summary, domestic carbon & alloy products of the kind produced by Sandvik are of inferior quality and do not compete with U.S. products, or are not produced in the United States. Not only does Sandvik fail to injure the domestic industry, but it provides a great benefit to various domestic manufacturers. Accordingly, Sandvik's woodband saw, grade 20C steel for flapper valves, shock absorber valves, and H/T spring, and die steel products should be excluded from any import relief.

## IV. CONCLUSION

For the foregoing reasons, Sandvik respectfully requests that the President exclude the following products from any import relief proclamation: (1) woodband saw steel; (2) grade 20C steel for flapper valves, shock absorbers and doctor blades; (3) cement kiln steel; and (4) die steel.

Respectfully submitted,

_____

William Silverman
Douglas J. Heffner
Richard P. Ferrin
Michelle R. Wildstein
**Hunton & Williams**
*Counsel to Sandvik Steel Company*

## TABLE OF EXHIBITS

# EXHIBIT 1

**THESE DOCUMENTS ARE INCAPABLE OF PUBLIC SUMMARY**

# EXHIBIT 2

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

*STEEL*, Inv. No. TA-201-73

**EXCLUSION REQUEST DATA SHEET**

If you are interested in requesting that specific products be excluded from this investigation, please supply the following information to the Commission by no later than Wednesday, October 17, 2001. Complete a separate exclusion request form for every product you are requesting an exclusion for. You may fax the completed form to the attention of D.J. Na at 202-205-3205.

| | |
|---|---|
| Firm: Sandvik Steel Company | Fax #: [616-926-2718] |
| Contact person: [Peter Frosini] | Email address:[ peter.frosini@sandvik.com ] |
| Have you submitted an exclusion request in a previous letter? Yes, on September 10, 2001 | |
| HTS number(s) covering the product requested for exclusion:<br>72269900 | |

Detailed description of product requested for exclusion (please do not only refer to the model number):
The material is brought in from Sweden as a finished item and is used by our customers to produce Woodband Saws used for cutting timber and making lumber. Sandvik Steel for the manufacture of wood band saws is characterized by:

a. Mechanical properties combining high strength and toughness which minimize the risk of cracks in connection with springs or swage setting.
b. Good flatness and excellent straightness.
c. Straight, smooth edges safe to handle.

Width 4.125" (104.8mm) to 16.250" (412.8mm)
Thickness: Gage – 20BWG (.89mm) to Gage – 11BWG (3.05mm)
Grade: 15LM (C-1074 Carbon and 15N2)
Internal Specification # 634 6062 Rev 4

Quantity (in short tons) of U.S. imports of product requested for exclusion:

| Source | 1996 | 1997 | 1998 | 1999 | 2000 | Jan.-June 2000 | Jan.-June 2001 |
|---|---|---|---|---|---|---|---|
| Canada | | | | | | | |
| Mexico | | | | | | | |
| All others | [724] | | | [601] | | | [310] |
| Total | | [860] | | | | [220] | |

Value (landed, duty-paid in U.S. dollars) of U.S. imports of product requested for exclusion:

| Source | 1996 | 1997 | 1998 | 1999 | 2000 | Jan.-June 2000 | Jan.-June 2001 |
|---|---|---|---|---|---|---|---|
| Canada | | | | | | | |
| Mexico | | | | | | | |
| All others | [2431] | | [2470] | | | [775] | |
| Total | | [2900] | | | | | [960] |

Estimated quantity (in short tons) of U.S. producers' U.S. commercial shipments (not including internal consumption or exports) of product requested for exclusion (please indicate basis for estimates):

| Source | 1996 | 1997 | 1998 | 1999 | 2000 | Jan.-June 2000 | Jan.-June 2001 |
|---|---|---|---|---|---|---|---|
| Total | [*] | | [*] | | | | [x] |

*** INDICATES NUMBER TOO SMALL TO RANGE**

**RANGED DATA**

**PUBLIC VERSION**
**NON-CONFIDENTIAL**

# EXHIBIT 3

November 12, 2001

Ambassador Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

**Re: Section 201 Investigation - Case No. TA-201-73**

Dear Ambassador Zoellick:

My name is Mike Cloutier and I am the President of Cut Technologies, the manufacturer of high quality band and round saws for the lumber industry. We have been providing saws to the American and Canadian lumber industries for many years by combining saws made out of the finest European steel with the latest innovations in saw design. We place a high premium on our ability to manufacture saws that are of the highest quality. We are therefore writing this letter to explain why obtaining Sandvik steel is critical to our business and to ask that you exclude Sandvik's wood band saw steel from any relief action you recommend to the President in the Section 201 case.

We have been purchasing wood band saw steel from Sandvik for six (6) years. Wood band saw steel is a specialized product that is provided in a limited marketplace, and U.S. producers lack both the equipment and technology to roll steel that is suitable to manufacture products for the primary lumber industry.

Today our customers demand thinner and flatter blades, which we manufacture using a very high grade of material that domestic producers simply do not produce. We have tried in the past to purchase wood band saw steel from domestic producers, but have never been able to do so. We have contacted a U.S. supplier with our needs, and have not seen any resulting attempts to make steel to our strict market driven standards.

Because there are no U.S. producers of the quality of wood band saw steel that we need, we must procure band saw steel from foreign suppliers. To the best of my knowledge, only three or four companies in the world, (Sandvik, Uddeholm, Daido and Martin Miller), are capable of supplying wood band saw steel of the requisite quality. Restricting imports of band saw steel from Sandvik would only serve to hurt our ability to produce a quality product. This is because our customers specify that we purchase wood band saw steel only from certain approved purchasers, including Sandvik.

For these reasons we hope that you will exclude wood band saw steel from any relief recommendations you make to the President. Please do not hesitate to contact me at (360) 733-0460 if you have questions or would like any additional information.

Regards,

Mike Cloutier
President

**CUT TECHNOLOGIES USA, INC.**
3254 Bennett Drive
Bellingham, WA 98225
1-800-435-4370 • Fax: (360) 733-0618

COUGAR THERMEX
www.cuttech.com

**CUT TECHNOLOGIES CANADA LTD.**
343 Dawson Ave.
Penticton, B.C. V2A 3N5

# EXHIBIT 4

SIMONDS®
www.simonds.cc

SIMONDS INDUSTRIES INC.
135 Intervale Road
P.O. Box 500
Fitchburg, MA 01420
Tel. (978) 343-3731
Fax (978) 343-3489

KENNETH R. MYER
Vice President-Procurement

November 7, 2001

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Zoellick:

My name is Kenneth R. Myer and I am Vice President of Procurement for Simonds Industries, Inc. located in Fitchburg, Massachusetts. We are a 169 year old company for industrial cutting tools. I have worked for Simonds and have been involved in the wood cutting industry for almost 30 years. I have been purchasing cold-rolled steel for band saws for over 15 years. One hundred percent of our band saw production relies on imported cold-rolled steel for band saws, because no U.S. mill can or will produce band saw steel. We purchase approximately one million pounds of 2% Nickel and run Nickel material for the wide wood band cutting industry from Sandvik in Sweden because we have not been able to find a domestic producer that will meet our specifications. Our band saws are used in the sawmill industry to cut logs into lumber. This is a very specialized type of steel and there is very small demand for it worldwide. That is why there are so few producers of this steel. We request that no relief be granted for this band saw material, as there is no domestic supplier available that manufactures this product.

Wood band saw steel is a high-carbon steel that is heat-treated, tempered and polished. It has to be able to bend and withstand a tremendous amount of pressure. The saw is bent around two wheels. These wheels stretch the blade and apply from 10,000 to 20,000 pounds per square inch of pressure. We require a very specific chemistry to prevent this blade from breaking and not only stopping production in the mill, but also potentially injuring the workers. The two wheels stretch the blade very tight and it is only this pressure that keeps the saw on the wheels. The wheels stretch the center of the blade longer than both of the sides in order to keep it on the wheels. Because of the high demands that are placed on this saw, it requires a consistent molecular structure throughout the saw. When making a band saw, we must stretch and flatten the band saw steel until it is very thin and flat. It is important that the material stretches evenly across it and it must stay very flat. There are very tight specifications on these band saws. Virtually no steel mill can make the steel straight enough, so we must straighten it before making the band saws. To our knowledge, there is no substitute to this steel for this industrial wood cutting application.

Theis Precision Steel in Bristol, Connecticut tried to supply us with band saw steel, but they were unable to correctly manufacture this product. Theis is, in fact, our largest supplier of strip steel for other products manufactured by Simonds. There is only one other potential domestic supplier of band saw steel -- Nedwick Steel Company in Wisconsin. We purchased some band saw steel from them in 1998 to do a trial run. We found that there were tensioning problems and their steel did not meet our specifications. The quality was not high enough for us to manufacture band saws. We spoke with Nedwick Steel at the time and they agreed that there were problems with the steel and that it did not meet our specifications. They gave us a credit for the band saw steel we had purchased and we scrapped the remaining steel from Nedwick. Because Nedwick Steel is pricing lower than imports from Japan or Europe, we have been very eager to buy their steel. We informed them that whenever they feel their steel will meet our specifications that we are more than willing to do another trial. I recently spoke with Nedwick Steel and they informed me that they are not yet ready for another trial. We are totally reliant on imports of band saw steel as there is no domestic supplier that can meet our specifications.

We in the industrial wood cutting business have been in a recessionary period since mid-2000. Any increase in the duty on this product will impact the competitiveness of our product against other technologies for cutting wood. There is no U.S. producer who makes band saw steel. Placing tariffs and quotas would not help the domestic producers, because there are no domestic producers. Tariffs and quotas would only hurt our business as well as all of the U.S. band saw operations. Band saw steel is a specialty product that should be excluded from this Steel 201 investigation.

Sincerely,

Kenneth R. Myer

# EXHIBIT 5

copies in paper form. We request that documents filed in electronic form be on DOS formatted 3.5' diskettes and prepared in either WordPerfect 9 format or a format that the Word Perfect program can convert and import into Word Perfect 9. Please submit comments in separate files on the diskette.

Comments received on diskette will be made available to the public on the Internet at Import Administration's website, *http://ia.ita.doc/gov*. Paper copies will be available for reading and photocopying in the Central Records Unit, Room B–099, U.S. Department of Commerce, Pennsylvania Avenue and 14th Street, NW., Washington, DC 20230. Any questions concerning file formatting, document conversion, access on the Internet, or other file requirements should be addressed to Andrew Lee Beller, Import Administration Webmaster, (202) 482–0866.

### Hearing

After reviewing all comments and rebuttal comments, the Department will determine if a public hearing is warranted, and, if so, will announce a place and time for that hearing.

This determination is issued and published in accordance with section 771(18)(c)(ii).

Dated: October 19, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 01–27056 Filed 10–25–01; 8:45 am]

BILLING CODE 3510–DS–P

## DEPARTMENT OF COMMERCE

### International Trade Administration

**[A–570–870]**

## Notice of Postponement of Preliminary Antidumping Duty Determination: Certain Circular Welded Carbon-Quality Steel Pipe From the People's Republic of China

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice of postponement of preliminary determination of antidumping duty investigation.

**SUMMARY:** The Department of Commerce ("the Department") is extending the time limit for the preliminary determination of the investigation of certain circular welded carbon-quality steel pipe from the People's Republic of China ("China").

**EFFECTIVE DATES:** October 26, 2001.

**FOR FURTHER INFORMATION CONTACT:** Robert Bolling, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–3434.

### The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR part 351 (2000).

*Postponement of Determination Results*

The Department has determined that this case is extraordinarily complicated and additional time beyond the current October 31, 2001, deadline is necessary to make the preliminary determination. *See Decision Memorandum from Joseph A. Spetrini, Deputy Assistant Secretary, Enforcement Group III to Faryar Shirzad, Assistant Secretary for Import Administration,* October 17, 2001. The Department is postponing the preliminary determination until 190 days after initiation in accordance with section 733(c)(1)(B) of the Act.

The deadline for the final determination will continue to be 75 days after the date of the preliminary determination.

Dated: October 18, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 01–26938 Filed 10–25–01; 8:45 am]

BILLING CODE 3510–DS–P

## DEPARTMENT OF COMMERCE

### International Trade Administration

**[A–357–816, A–602–804, A–423–811, A–351–834, A–427–822, A–428–834, A–533–826, A–588–859, A–580–848, A–421–810, A–614–803, A–570–872, A–821–815, A–791–814, A–469–812, A–401–807, A–583–839, A–549–819, A–489–810, A–307–822]**

## Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Initiation of antidumping duty investigations.

**EFFECTIVE DATE:** October 26, 2001.

**FOR FURTHER INFORMATION CONTACT:** Barbara Wojcik-Betancourt (Argentina, Brazil, South Africa, Spain) at (202) 482–0629; Paige Rivas (Australia, India, Korea, New Zealand) at (202) 482–0651; Brian Ledgerwood (the Netherlands, Sweden) at (202) 482–3836; Fred Baker (France, Germany, the People's Republic of China, the Russian Federation) at (202) 482–2924; Michael Stollo (Japan, Thailand, Turkey, Venezuela) at (202) 482–5255; and Victoria Schepker (Belgium, Taiwan) at (202) 482–1756; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

### Initiation of Investigations

*The Applicable Statute and Regulations*

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930, as amended (the Act), by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 351 (2001).

*The Petitions*

On September 28, 2001, the Department of Commerce (the Department) received petitions filed in proper form by the following parties: Bethlehem Steel Corporation, LTV Steel Company, Inc., National Steel

Corporation,[1] Nucor Corporation, Steel Dynamics, Inc., United States Steel LLC., WCI Steel, Inc., and Weirton Steel Corporation[2] (collectively, the petitioners). The Department received information supplementing the petitions on October 12, 2001 and on October 18, 2001, petitioners submitted additional information concerning industry support.

In accordance with section 732(b) of the Act, the petitioners allege that imports of certain cold-rolled carbon steel flat products (cold-rolled steel) from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or are threatening to materially injure, an industry in the United States.

The Department finds that the petitioners filed these petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) of the Act and have demonstrated sufficient industry support with respect to each of the antidumping investigations that they are requesting the Department to initiate. (*See* the *Determination of Industry Support for the Petitions* section below.)

*Scope of Investigations*

For purposes of these investigations, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances, both in coils, 0.5 inch wide or wider, (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally oscillated coils), and also in straight lengths, which, if less than 4.75 mm in thickness, having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular or other shape and include products of either rectangular or non-rectangular cross-section.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of this investigation, regardless of definitions in the Harmonized Tariff Schedules of the United States (HTSUS), are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight, and; (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium (also called columbium), or 0.15 percent of vanadium, or 0.15 percent of zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products, by way of example, are outside and/or specifically excluded from the scope of this investigation:

- SAE grades (formerly also called AISI grades) above 2300;
- Ball bearing steels, as defined in the HTSUS;
- Tool steels, as defined in the HTSUS;
- Silico-manganese steel, as defined in the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are grain-oriented;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level exceeding 2.25 percent;
- All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507);
- Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level less than 2.25 percent, and (a) fully-processed, with a core loss of less than 0.14 watts/pound per mil (0.001 inch), or (b) semi-processed, with core loss of less than 0.085 watts/pound per mil (0.001 inch);
- Certain shadow mask steel, which is aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and which meets the following characteristics:

Thickness: 0.001 to 0.010 inch
Width: 15 to 32 inches

CHEMICAL COMPOSITION

| Element | C |
|---|---|
| Weight% | <0.002% |

- Certain flapper valve steel, which is hardened and tempered, surface polished, and which meets the following characteristics:

Thickness: ≤1.0 mm
Width: ≤152.4 mm

CHEMICAL COMPOSITION

| Element | C | Si | Mn | P | S |
|---|---|---|---|---|---|
| Weight % | 0.90–1.05 | 0.15–0.35 | 0.30–0.50 | ≤0.03 | ≤0.006 |

MECHANICAL PROPERTIES

| | |
|---|---|
| Tensile Strength | ≥162 Kgf/mm[2]. |

MECHANICAL PROPERTIES—Continued

| | |
|---|---|
| Hardness | ≥475 Vickers hardness number. |

PHYSICAL PROPERTIES

| | |
|---|---|
| Flatness | <0.2% of nominal strip width. |

[1] National Steel Corporation is not a petitioner in the Japan case.

[2] Weirton Steel Corporation is not a petitioner in the Netherlands case.

Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite.

NON-METALLIC INCLUSION

| | |
|---|---|
| Sulfide Inclusion | ≤0.04 |
| Oxide Inclusion | ≤0.05% |

COMPRESSIVE STRESS: 10 TO 40 KGF/MM$^2$

Surface Roughness

| Thickness (mm) | Roughness (μm) |
|---|---|
| t≤0.209 | Rz≤0.5 |
| 0.209<t≤0.310 | Rz≤0.6 |
| 0.310<t≤0.310 | Rz≤0.7 |
| 0.440<t≤0.560 | Rz≤0.8 |
| 0.560<t | Rz≤1.0 |

- Certain ultra thin gauge steel strip, which meets the following characteristics:

Thickness: ≤0.100 mm ±7%

Width 100 to 600 mm

CHEMICAL COMPOSITION

| Element | C | Mn | P | S | Al | Fe |
|---|---|---|---|---|---|---|
| Weight % | ≤0.07 | 0.2–0.5 | ≤0.05 | ≤0.05 | ≤0.07 | Balance |

MECHANICAL PROPERTIES

| | |
|---|---|
| Hardness | Full Hard (Hv 180 minimum) |
| Total Elongation | <3% |
| Tensile Strength | 600 to 850 N/mm$^2$ |

PHYSICAL PROPERTIES

| | |
|---|---|
| Surface Finish | ≤0.3 micron |
| Camber (in 2.0 m) | <3.0 mm. |
| Flatness (in 2.0 m) | ≤0.5 mm. |
| Edge Burr | <0.01 mm greater than thickness |
| Coil Set (in 1.0 m) | <75.0 mm. |

- Certain silicon steel, which meets the following characteristics:

Thickness: 0.024 inch ±.0015 inch

Width: 33 to 45.5 inches

CHEMICAL COMPOSITION

| Element | C | Mn | P | S | Si | Al |
|---|---|---|---|---|---|---|
| Min. Weight % | | | | | 0.65 | |
| Max. Weight % | 0.004 | 0.4 | 0.09 | 0.009 | | 0.4 |

MECHANICAL PROPERTIES

| | |
|---|---|
| Hardness | B 60–75 (AIM 65) |

PHYSICAL PROPERTIES

| | |
|---|---|
| Finish Smooth | (30–60 microinches). |
| Gamma Crown (in 5 inches) | 0.0005 inch, start measuring one-quarter inch from slit edge. |
| Flatness | 20 I–UNIT max |
| Coating | C3A–.08A max. (A2 coating acceptable). |
| Camber (in any 10 feet) | 1/16 inch. |
| Coil Size I.D | 20 inches. |

MAGNETIC PROPERTIES

| | |
|---|---|
| Core Loss (1.5T/60 Hz) NAAS | 3.8 Watts/Pound max. |
| Permeability (1.5T/60 Hz) NAAS | 1700 gauss/oersted typical, 1500 minimum. |

- Certain aperture mask steel, which has an ultra-flat surface flatness and which meets the following characteristics:

Thickness: 0.025 to 0.245 mm

Width: 381–1000 mm

CHEMICAL COMPOSITION

| Element | C | N | Al |
|---|---|---|---|
| Weight % | <0.01 | 0.004 to 0.007 | <0.007 |

• Certain annealed and temper-rolled cold-rolled continuously cast steel, which meets the following characteristics:

CHEMICAL COMPOSITION

| Element | C | Mn | P | S | Si | Al | As | Cu | B | N |
|---|---|---|---|---|---|---|---|---|---|---|
| Min. Weight % | 0.02 | 0.20 | | | | 0.03 | | | | 0.003 |
| Max. Weight % | 0.06 | 0.40 | 0.02 | 0.023 (Aiming 0.018 Max.) | 0.03 | 0.08 (Aiming 0.05) | 0.02 | | 0.08 | 0.008 (Aiming 0.005) |

Non-metallic Inclusions: Examination with the S.E.M. shall not reveal individual oxides >1 micron (0.000039 inch) and inclusion groups or clusters shall not exceed 5 microns (0.000197 inch) in length.

Surface Treatment as follows:

The surface finish shall be free of defects (digs, scratches, pits, gouges, slivers, etc.) and suitable for nickel plating.

SURFACE FINISH

| | Roughness, RA microinches (micrometers) | | |
|---|---|---|---|
| | Aim | Min. | Max. |
| Extra Bright | 5 (0.1) | 0 (0) | 7 (0.2) |

• Certain annealed and temper-rolled cold-rolled continuously cast steel, in coils, with a certificate of analysis per Cable System International ("CSI") Specification 96012, with the following characteristics:

CHEMICAL COMPOSITION

| Element | C | Mn | P | S |
|---|---|---|---|---|
| Max Weight % | 0.13 | 0.60 | 0.02 | 0.05 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Base Weight | 55 pounds. |
| Theoretical Thickness | 0.0061 inch (+/− 10 percent of theoretical thickness). |
| Width | 31 inches. |
| Tensile Strength | 45,000–55,000 psi. |
| Elongation | minimum of 15 percent in 2 inches. |

• Concast cold-rolled drawing quality sheet steel, ASTM a-620–97, Type B, or single reduced black plate, ASTM A–625–92, Type D, T–1, ASTM A–625–76 and ASTM A–366–96, T1–T2–T3 Commercial bright/luster 7a both sides, RMS 12 maximum. Thickness range of 0.0088 to 0.038 inches, width of 23.0 inches to 36.875 inches.

• Certain single reduced black plate, meeting ASTM A–625–98 specifications, 53 pound base weight (0.0058 inch thick) with a Temper classification of T–2 (49–57 hardness using the Rockwell 30 T scale).

• Certain single reduced black plate, meeting ASTM A–625–76 specifications, 55 pound base weight, MR type matte finish, TH basic tolerance as per A263 trimmed.

• Certain single reduced black plate, meeting ASTM A–625–98 specifications, 65 pound base weight (0.0072 inch thick) with a Temper classification of T–3 (53–61 hardness using the Rockwell 30 T scale).

• Certain cold-rolled black plate bare steel strip, meeting ASTM A–625 specifications, which meet the following characteristics:

CHEMICAL COMPOSITION

| Element | C | Mn | P | S |
|---|---|---|---|---|
| Max. Weight % | 0.13 | 0.60 | 0.02 | 0.05 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness | 0.0058 inch ±0.0003 inch. |
| Hardness | T2/HR 30T 50–60 aiming. |
| Elongation | ≥15%. |

PHYSICAL AND MECHANICAL PROPERTIES—Continued

| | |
|---|---|
| Tensile Strength | 51,000.0 psi ±4.0. |

• Certain cold-rolled black plate bare steel strip, in coils, meeting ASTM A–623, Table II, Type MR specifications, which meet the following characteristics:

CHEMICAL COMPOSITION

| Element | C | Mn | P | S |
|---|---|---|---|---|
| Max. Weight % | 0.13 | 0.60 | 0.04 | 0.05 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness | 0.0060 inch (±0.0005 inch). |
| Width | 10 inches (+¼ to ⅜ inch/−0). |
| Tensile Strength | 55,000 psi max. |
| Elongation | Minimum of 15 percent in 2 inches. |

• Certain "blued steel" coil (also known as "steamed blue steel" or "blue oxide") with a thickness of 0.30 mm to 0.42 mm and width of 609 mm to 1219 mm, in coil form;

• Certain cold-rolled steel sheet, coated with porcelain enameling prior to importation, which meets the following characteristics:

Thickness (nominal): ≤0.019 inch

Width: 35 to 60 inches

CHEMICAL COMPOSITION

| Element | C | O | B |
|---|---|---|---|
| Max. Weight % | 0.004 | | |
| Min. Weight % | | 0.010 | 0.012 |

• Certain cold-rolled steel, which meets the following characteristics:

Width: >66 inches

CHEMICAL COMPOSITION

| Element | C | Mn | P | Si |
|---|---|---|---|---|
| Max. Weight% | 0.07 | 0.67 | 0.14 | 0.03 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness Range (mm) | 0.800–2.000 |
| Min. Yield Point (MPa) | 265 |
| Max Yield Point (MPa) | 365 |
| Min. Tensile Strength (MPa) | 440 |
| Min. Elongation % | 26 |

• Certain band saw steel, which meets the following characteristics:

Thickness: ≤ 1.31 mm

Width: ≤ 80 mm

CHEMICAL COMPOSITION

| Element | C | Si | Mn | P | S | Cr | Ni |
|---|---|---|---|---|---|---|---|
| Weight % | 1.2 to 1.3 | 0.15 to 0.35 | 0.20 to 0.35 | ≤0.03 | ≤0.007 | 0.3 to 0.5 | ≤0.25 |

Other properties:

Carbide: Fully spheroidized having >80% of carbides, which are ≤0.003 mm and uniformly dispersed

Surface finish: Bright finish free from pits, scratches, rust, cracks, or seams Smooth edges.

Edge camber (in each 300 mm of length): ≤ 7 mm arc height

Cross bow (per inch of width): 0.015 mm max.

• Certain transformation-induced plasticity (TRIP) steel, which meets the following characteristics:

*Variety 1:*

CHEMICAL COMPOSITION

| Element | C | Si | Mn |
|---|---|---|---|

CHEMICAL COMPOSITION—Continued

| | | | |
|---|---|---|---|
| Min. Weight % | 0.09 | 1.0 | 0.90 |
| Max. Weight % | 0.13 | 2.1 | 1.7 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness Range (mm) | 1.000–2.300 (inclusive). |
| Min. Yield Point (MPa) | 320. |
| Max Yield Point (MPa) | 480. |
| Min. Tensile Strength (MPa) | 590. |
| Min. Elongation % | 24 (if 1.000–1.199 thickness range).<br>25 (if 1.200–1.599 thickness range).<br>26 (if 1.600–1.999 thickness range).<br>27 (if 2.000–2.300 thickness range). |

*Variety 2:*

CHEMICAL COMPOSITION

| | | | |
|---|---|---|---|
| Element | C | Si | Mn |
| Min. Weight % | 0.12 | 1.5 | 1.1 |
| Max. Weight % | 0.16 | 2.1 | 1.9 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness Range (mm) | 1.000–2.300 (inclusive). |
| Min. Yield Point (MPa) | 340. |
| Max Yield Point (MPa) | 520. |
| Min. Tensile Strength (MPa) | 690. |
| Min. Elongation % | 21 (if 1.000–1.199 thickness range).<br>22 (if 1.200–1.599 thickness range).<br>23 (if 1.600–1.999 thickness range).<br>24 (if 2.000–2.300 thickness range). |

*Variety 3:*

CHEMICAL COMPOSITION

| | | | |
|---|---|---|---|
| Element | C | Si | Mn |
| Min. Weight % | 0.13 | 1.3 | 1.5 |
| Max. Weight % | 0.21 | 2.0 | 2.0 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness Range (mm) | 1.200–2.300 (inclusive). |
| Min. Yield Point (MPa) | 370. |
| Max Yield Point (MPa) | 570. |
| Min. Tensile Strength (MPa) | 780. |
| Min. Elongation % | 18 (if 1.200–1.599 thickness range).<br>19 (if 1.600–1.999 thickness range).<br>20 (if 2.000–2.300 thickness range). |

- Certain cold-rolled steel, which meets the following characteristics:

*Variety 1:*

CHEMICAL COMPOSITION

| | | | | |
|---|---|---|---|---|
| Element | C | Mn | P | Cu |
| Min. Weight % | | | | 0.15 |
| Max. Weight % | 0.10 | 0.40 | 0.10 | 0.35 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness Range (mm) | 0.600–0.800 |

PHYSICAL AND MECHANICAL PROPERTIES—Continued

| | |
|---|---|
| Min. Yield Point (MPa) | 185 |
| Max Yield Point (MPa) | 285 |
| Min. Tensile Strength (MPa) | 340 |
| Min. Elongation | 31 (ASTM standard 31% = JIS standard 35%) |

*Variety 2:*

CHEMICAL COMPOSITION

| Element | C | Mn | P | Cu |
|---|---|---|---|---|
| Min. Weight % | | | | 0.15 |
| Max. Weight % | 0.05 | 0.40 | 0.08 | 0.35 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness Range (mm) | 0.800–1.000 |
| Min. Yield Point (MPa) | 145 |
| Max Yield Point (MPa) | 245 |
| Min. Tensile Strength (MPa) | 295 |
| Min. Elongation % | 31 (ASTM standard 31% = JIS standard 35%) |

*Variety 3:*

CHEMICAL COMPOSITION

| Element | C | Si | Mn | P | S | Cu | Ni | Al | Nb, Ti, V, B | Mo |
|---|---|---|---|---|---|---|---|---|---|---|
| Max. Weight % | 0.01 | 0.05 | 0.40 | 0.10 | 0.023 | 0.15–.35 | 0.35 | 0.10 | 0.10 | 0.30 |

PHYSICAL AND MECHANICAL PROPERTIES

| | |
|---|---|
| Thickness (mm): | 0.7 |
| Elongation %: ≥ | 35 |

• Porcelain enameling sheet, drawing quality, in coils, 0.014 inch in thickness, +0.002, −0.000, meeting ASTM A–424–96 Type 1 specifications, and suitable for two coats.

The merchandise subject to this investigation is typically classified in the HTSUS at subheadings: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0090, 7209.17.0030, 7209.17.0060, 7209.17.0090, 7209.18.1530, 7209.18.1560, 7209.18.2550, 7209.18.6000. 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7210.90.9000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7225.19.0000, 7225.50.6000, 7225.50.7000, 7225.50.8010, 7225.50.8085, 7225.99.0090, 7226.19.1000, 7226.19.9000, 7226.92.5000, 7226.92.7050, 7226.92.8050, and 7226.99.0000.

Although the HTSUS subheadings are provided for convenience and U.S. Customs Service (U.S. Customs) purposes, the written description of the merchandise under investigation is dispositive.

During our review of the petitions, we discussed the scope with the petitioners to ensure that the scope in the petition accurately reflects the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations (Antidumping Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments within 20 days of publication of this notice. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determination.

**Determination of Industry Support for the Petitions**

Section 771(4)(A) of the Act defines the "industry as the producers as a whole of a domestic like product. Thus, when determining the degree of industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to the law.[3]

[3] *See Algoma Steel Corp. Ltd., v. United States*, 688 F. Supp. 639, 642–44 (CIT 1988); *High Information Content Flat Panel Displays and Display Glass from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380–81 (July 16, 1991).

# EXHIBIT 6

**Mellon Bank / WEFA**

**August 16, 2001**

**Key Economic Indicators Forecast**

| Indicator | Measurement | 2000 Actual | 2001 Fcst. | Prior 2001 Fcst. | 2002 Fcst. | Prior 2002 Fcst. | Special Report - 9/19/01 2001 Fcst. | 2002 Fcst. |
|---|---|---|---|---|---|---|---|---|
| ***General Business Indicators*** | | | | | | | | |
| Gross Domestic Produ | % Change / PY | 5.0 | 1.7 | 2.8 | 2.6 | N/A | 1.1 | 1.6 |
| Industrial Production In | % Change / PY | 5.6 | (2.3) | 1.8 | 1.7 | N/A | | |
| Consumer Price Index | % Change / PY | 3.4 | 3.2 | 2.5 | 2.7 | N/A | 3.1 | 2.3 |
| Producer Price Index | % Change / PY | 3.7 | 3.6 | 1.7 | 2.4 | N/A | 2.7 | 0.5 |
| Business Fixed Invest | % Change / PY | 12.6 | 0.1 | 7.1 | 0.8 | N/A | (3.2) | (2.8) |
| | | | | | | | | |
| Prime Interest Rate | Average | 9.2 | 7.3 | 9.1 | 6.7 | N/A | | |
| Unemployment Rate | Average | 4.0 | 4.5 | 4.7 | 5.4 | N/A | 4.8 | 5.9 |
| Manufacturing Capacit | Average | 81.3 | 76.5 | 80.8 | 78.1 | N/A | | |
| | | | | | | | | |
| Housing Starts | Millions of Units | 1.6 | 1.6 | 1.5 | 1.5 | N/A | 1.6 | 1.5 |
| Auto Sales - Total | Millions of Units | 8.9 | 8.3 | 7.8 | 8.1 | N/A | | |
| Light Vehicle Sales | Millions of Units | 17.2 | 16.4 | 15.5 | 16.5 | N/A | 16.2 | 15.7 |
| | | | | | | | | |
| Consumer E | % Change / PY | 5.3 | 3.0 | 2.6 | 3.1 | N/A | 2.5 | 1.7 |
| Government | % Change / PY | 2.8 | 2.6 | 2.0 | 2.0 | N/A | 2.7 | 4.7 |

# EXHIBIT 7

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

## *STEEL*, Inv. No. TA-201-73
## EXCLUSION REQUEST DATA SHEET

If you are interested in requesting that specific products be excluded from this investigation, please supply the following information to the Commission by no later than Wednesday, October 17, 2001. Complete a separate exclusion request form for every product you are requesting an exclusion for. You may fax the completed form to the attention of D.J. Na at 202-205-3205.

| | |
|---|---|
| Firm: Sandvik Steel Company | Fax #: [ ] |
| Contact person: [ ] | Email address: [ ] |
| Have you submitted an exclusion request in a previous letter? Yes, on September 10, 2001. | |
| HTS number(s) covering the product requested for exclusion:<br>7211900000 | |
| Detailed description of product requested for exclusion (please do not only refer to the model number):<br>This material is brought in from Sweden for several applications:<br>Wide width coils of 6.00" to 14.00" and slit to finished sizes for our customers and are used for Flapper Valve applications such as refrigeration, freezing & air conditioning industries, gas processing and transportation, heat pumps and industrial compressors. Sandvik Steel for the manufacture of Flapper Valves for compressor valves is characterized by:<br>a. High bending and impact fatigue strength.<br>b. High purity.<br>c. Good flatness and surface finish.<br>d. Good blanking properties.<br>e. Excellent thickness tolerances.<br>Width: 6.000" (152.4mm) to 14.000" ( 355.6mm)<br>Thickness: .004" (0.102mm) to .025" (0.635mm)<br>Grade: 20C ( C-1095 )<br>Internal specification 634 6760 Rev 0<br>Wide width coils of .500" to 14.00" and slit to finished sizes for our customers and are used for valves in shock absorbers for the automotive industry. Sandvik Steel for the manufacture of Shock Absorber Valves for shock absorbers on vehicle applications is characterized by:<br>a. Fatigue strength and wear resistance.<br>b. Hardness combined with ductility.<br>c. Surface and end finishes.<br>d. Good blanking and forming properties with retaining shape of the parts after blanking<br>Width: .500" (152.4mm) to 14.000" ( 355.6mm)<br>Thickness: .004" (0.102mm) to .025" (0.635mm)<br>Grade: 20C ( C-1095 )<br>Internal Specification 634 6960 Rev 1<br>Wide width ,either slit or slit and edge shaved to finish sizes for our customers to be used for Doctor Blade applications used in the printing industry. Characterized by:<br>a. Fatigue strength and wear resistance.<br>b. Hardness combined with ductility.<br>c. Surface and end finishes.<br>d. Shape<br>Width: .500" (152.4mm) to 14.000" ( 355.6mm)<br>Thickness: .004" (0.102mm) to .025" (0.635mm)<br>Grade: 20C ( C-1095 )<br>Internal Specification 634 6960 Rev 1 | |

**PUBLIC VERSION**
**NON-CONFIDENTIAL**

| Quantity (in short tons) of U.S. imports of product requested for exclusion: | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Source** | **1996** | **1997** | **1998** | **1999** | **2000** | **Jan.-June 2000** | **Jan.-June 2001** |
| **Canada** | | | | | | | |
| **Mexico** | | | | | | | |
| **All others** | [1640] | | | | [2106] | | |
| **Total** | | [1815] | [1901] | | | [1111] | |
| Value (landed, duty-paid in U.S. dollars) of U.S. imports of product requested for exclusion: | | | | | | | |
| **Source** | **1996** | **1997** | **1998** | **1999** | **2000** | **Jan.-June 2000** | **Jan.-June 2001** |
| **Canada** | | | | | | | |
| **Mexico** | | | | | | | |
| **All others** | [7731] | | | [10100] | | | [3600] |
| **Total** | | [8481] | | | [9999] | | |
| Estimated quantity (in short tons) of U.S. producers' U.S. commercial shipments (not including internal consumption or exports) of product requested for exclusion (please indicate basis for estimates): | | | | | | | |
| **Source** | **1996** | **1997** | **1998** | **1999** | **2000** | **Jan.-June 2000** | **Jan.-June 2001** |
| **Total** | [*] | | [*] | | [*] | | |

**PUBLIC VERSION**
**NON-CONFIDENTIAL**

**RANGED DATA**

*** INDICATES NUMBER TOO SMALL TO RANGE**

**THESE DOCUMENTS ARE INCAPABLE OF PUBLIC SUMMARY**

# EXHIBIT 8

DE-STA-CO MANUFACTURING
ENGINEERED SOLUTIONS

ISO 9002/ QS 9000

250 Park Street, Troy, MI 48083
PO Box 5027, 48007
Tel (248) 733-5800

November 7, 2001

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

**Re: Section 201 Investigation on Certain Steel Products, Inv. No. TA 201-73**

Dear Ambassador Zoellick:

My name is George Singos and I am the Purchasing Manager at DE-STA-CO Manufacturing, a global manufacturer of certain valve, tubular and other critical performance components for a variety of industries, including automotive, aerospace, marine, appliance and air conditioning. More specifically, we manufacture steel flapper valves for air conditioning units, primarily for the automotive industry. We purchase the majority of flapper valve steel for automotive air conditioning units from Sandvik Steel Company.

It is of the utmost importance that the quality of the flapper valve steel we use be superior. The function of the flapper valve is critical; it covers the porthole that allows the flow of gases that generates the cooling process. If the flapper valve bends in any way the unit may not be used. Because of this requirement, our customers have instructed us only to purchase flapper valve steel from certain approved sources. The only manufacturers of customer approved flapper valve steel are non-U.S. companies, including Sandvik. It is therefore crucial to our business to be able to use imported flapper valve steel.

Not only are there no approved U.S. manufacturers of flapper valve steel, we know of no domestic mills that even produce this product. Because no U.S. producers are eligible suppliers of flapper valve steel, it would seriously injure our business if imports of the high quality flapper valve steel on which we rely were restricted. Therefore, I respectfully request that flapper valve steel be excluded from any relief recommendation to the President.

Please do not hesitate to contact me at 248-733-5853 should you have additional questions regarding this matter.

Sincerely,

George Singos
DE-STA-CO- Manufacturing

# EXHIBIT 9

FUSITE®

November 7, 2001

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

**Re: Section 201 Investigation on Certain Steel Products, Inv. No. TA-201-73**

Dear Ambassador Zoellick:

I am writing on behalf of Fusite, Division of Emerson Electric. I am the Director of Procurement of the Fusite division. The Fusite division of Emerson Electric produced flapper valves for compressors used in air conditioners. Flapper valves are used for the release of gases in compressors, which in turn produces the cool air.

We produce components from flapper valve steel, which we purchase from Sandvik Steel Company. Sandvik Steel Company imports this product from its parent company in Sweden, AB Sandvik Steel. We purchase approximately $1 million in flapper valve steel from Sandvik Steel Company.

The reason that we purchase this steel from Sandvik Steel Company is two-fold. First, our customers specify the supplier of steel that we must use for the flapper valves. Second, there are only three suppliers of flapper valve steel in the entire world: Sandvik, Uddelholm, and Hitachi.

Not only are there no approved domestic suppliers of flapper valve steel, but no domestic producer even makes this material. The product is extremely difficult to produce because of the specifications for flatness and cleanliness. Moreover, unlike the market for normal steel products, the market for this product is small and the product is extremely specialized.

EMERSON
FUSITE DIVISION
EMERSON ELECTRIC CO.
6000 FERNVIEW AVENUE
CINCINNATI, OHIO 45212-1399
(513) 731-2020
FAC # 513-631-6456

Given the fact that no domestic producer makes flapper valve steel, it would be counterproductive to include the product in any remedy that the President will impose. Because no domestic producer makes flapper valve steel, any remedy that would include this product would only serve to hurt consumers such as ourselves. Therefore, I respectfully request that you exclude flapper valve steel from any relief recommended to the President.

Please do not hesitate to contact me if you require any additional information at 513 366-2215.

Sincerely,

Richard Vonderheide

# EXHIBIT 10

**THESE DOCUMENTS ARE INCAPABLE OF PUBLIC SUMMARY**

# EXHIBIT 11

TOKICO (USA) INC.
301 Mayde Road
Berea, Kentucky 40403-9777
(859) 986-2359
(859) 986-7114 fax

TOKICO

November 9, 2001

The Honorable Robert B. Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, DC 20508

RE: Section 201, Investigation on Certain Carbon and Alloy Steel Flat Products

TOKICO (USA), Inc. in Berea, KY is a manufacturer of suspension shocks and struts for the American Automobile Manufacturers. (O.E.M).

Tokico buys specific high carbon steel from Sandvik Steel Co., which is manufactured in Sweden. This product is used in the valving function of the shocks and struts, which assures a high quality of functionality.

According to our investigation, we have not found a domestic producer of the product who can assure the equivalent grade and quality of the Sandvik material. Therefore, we feel there should be no relief granted for this particular product.

Sincerely,

Kenneth Conrad
Purchasing Director

# EXHIBIT 12

DELPHI
Automotive Systems

**Global Purchasing**
**Metallic Raw Materials**

November 13, 2001

Ambassador Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

**Re: Section 201 Investigation - Case No. TA-201-73**

Dear Ambassador Zoellick:

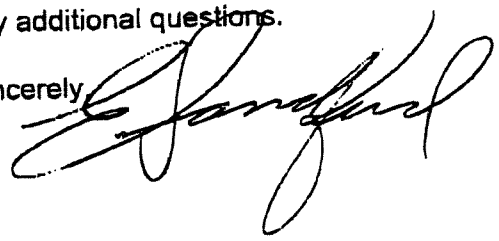
My name is Eric Sandford and I am the Deputy Director of Raw Materials Purchasing at Delphi Automotive Systems ("Delphi"). We are a U.S. producer of advanced automotive components, systems and modules including shock absorbers. We are writing to urge you to exclude grade 20C steel produced by Sandvik Steel Company from any relief recommendations you make to the President with respect to the Section 201 case referenced above.

Grade 20C steel is a specialized form of steel that is only produced by a handful of companies worldwide. We purchase about 450 tons of grade 20C steel per year from Sandvik to manufacture valves used in shock absorber production. We have been buying grade 20C steel from Sandvik for many years because of the quality of Sandvik's product.

Delphi has no domestic producers certified to supply grade 20C for shock absorber valves. Few domestic mills produce a grade 20C material. The domestic producers have from time to time attempted to sell their grade 20C product to us; however, their products have never met our specifications. Specifically, the domestic mills could not meet our specifications for flatness. Flatness is an absolute requirement to ensure the valves within the body of the shock absorber do not leak fluids. Leaking shock absorbers is a major customer quality complaint that could lead to a major warranty or recall campaign. Delphi cannot sacrifice product material quality and product safety to our customers. Consequently, we have never been able to purchase this material from any domestic producer. As it is critical to our business to be able to manufacture superior quality shock absorbers, valves included, we respectfully request that you exclude Sandvik's grade 20C steel from any relief recommendations you make to the President.

Please call me at **248-267-5983** if you have any additional questions.

Sincerely,



Delphi Automotive Systems, Timberland Office Park 1450 West Long Lake, Troy, Michigan USA 48098
248-267-5983 Fax 248-267-5985 Email: eric.sandford@delphiauto.com

# EXHIBIT 13

**Daetwyler**

INTERNET: www.daetwyler.com

**US HEADQUARTERS**
Max Daetwyler Corporation, 13420 Reese Blvd. West, Huntersville, NC 28078 ■ TEL: (704) 875-1200 FAX: (704) 875-0781
**DAYTON DIVISION**
Max Daetwyler Corporation, 4105 Executive Drive, Dayton, OH 45430-0181 ■ TEL: (937) 427-1022 FAX: (937) 427-1375

November 8, 2001

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 200508

**Re: Section 201 Investigation on Steel**

Dear Ambassador Zoellick:

I am writing to you on behalf of Max Daetwyler Corporation, located in Huntersville, North Carolina. Max Daetwyler is a manufacturer equipment for the Graphic Arts industry, including cleaning systems, doctor blades, plating, finishing, engraving, material handling, and automation. We have 14 locations and employ 850 people worldwide. We purchase H/T spring steel from Sandvik Steel Company to make doctor blades, which are used in the printing industry. Because it is critical that we purchase H/T spring steel of a very high quality to make doctor blades, we are writing to request that you exclude Sandvik's H/T spring steel from any import relief you recommend to the President in the Section 201 case.

Doctor blades are precision, machined ground consumable slits of strip steel for use on printing presses. Each cylinder on a printing press has a doctor blade that removes the excess ink off of the cylinder which allows the cylinder to transport various inks to the sub-straight products such as paper, packaging material, or even floor covering. Our doctor blades are used on printing presses to print items such as magazines, advertisements, and product packaging. Our customers include American Greetings, RJR Nabisco, R.R. Donnelly & Sons, and Quebecor as well as sub-suppliers which supply Mars, Philip Morris, Coors, and other producers of high volume, high quality printed products. To work properly, a doctor blade must have a certain chemical/metallic composition that is crucial to its quality. If not made with certain appropriate grains of steel, the doctor blade will cause streaking on the printing press as the blade wears out, and the printed product will be unacceptable. We purchase about 40,000 kilograms of H/T spring steel from Sandvik per year. To the best of our knowledge, Sandvik is one of only two companies in the world that produce this product to the quality specifications our product demands.

Given that we must use such high quality steel to manufacture our products and we are unable to purchase steel of this quality from any U.S. manufacturers, it is very important to us to be able to import H/T spring steel from Sandvik. Therefore, we are asking that you exclude Sandvik's H/T spring steel from any import relief recommendations you make to the President in connection with the 201 case. If you would like to discuss this with us in more detail we would be happy to do so.

Daetwyler

Sincerely,

Mark Shores
Chief Financial Officer

# EXHIBIT 14

**THESE DOCUMENTS ARE INCAPABLE OF PUBLIC SUMMARY**

# EXHIBIT 15

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

## *STEEL*, Inv. No. TA-201-73
## EXCLUSION REQUEST DATA SHEET

If you are interested in requesting that specific products be excluded from this investigation, please supply the following information to the Commission by no later than Wednesday, October 17, 2001. Complete a separate exclusion request form for every product you are requesting an exclusion for. You may fax the completed form to the attention of D.J. Na at 202-205-3205.

| | |
|---|---|
| Firm: Sandvik Steel Company | Fax #: [ ] |
| Contact person: [ ] | Email address: [ ] |
| Have you submitted an exclusion request in a previous letter? Yes, on September 10, 2001 | |
| HTS number(s) covering the product requested for exclusion:<br>7228706000 | |
| Detailed description of product requested for exclusion (please do not only refer to the model number):<br>This material is brought in from Sweden as a finished product and shipped to our customers for use in dies for the cutting of leather products.<br>Width 19.0mm to 50.0mm<br>Thickness: 2.0mm to 3.0mm<br>Grade: Special Sandvik Die Steel Grade | |

Quantity (in short tons) of U.S. imports of product requested for exclusion:

| Source | 1996 | 1997 | 1998 | 1999 | 2000 | Jan.-June 2000 | Jan.-June 2001 |
|---|---|---|---|---|---|---|---|
| Canada | | | | | | | |
| Mexico | | | | | | | |
| All others | [32] | | [*] | | | [*] | |
| Total | | [*] | | [17] | | | [*] |

Value (landed, duty-paid in U.S. dollars) of U.S. imports of product requested for exclusion:

| Source | 1996 | 1997 | 1998 | 1999 | 2000 | Jan.-June 2000 | Jan.-June 2001 |
|---|---|---|---|---|---|---|---|
| Canada | | | | | | | |
| Mexico | | | | | | | |
| All others | [274] | | | | [130] | | [68] |
| Total | | | [92] | | | [91] | |

Estimated quantity (in short tons) of U.S. producers' U.S. commercial shipments (not including internal consumption or exports) of product requested for exclusion (please indicate basis for estimates):

| Source | 1996 | 1997 | 1998 | 1999 | 2000 | Jan.-June 2000 | Jan.-June 2001 |
|---|---|---|---|---|---|---|---|
| Total | [*] | | [*] | | [*] | | [*] |

**PUBLIC VERSION**
**NON-CONFIDENTIAL**

**RANGED DATA**

*** INDICATES NUMBER TOO SMALL TO RANGE**